

# THINK TWICE!

AN ANTI-CORRUPTION GUIDE

# INTRODUCTION

Corruption is a serious threat against a democratic society and undermines lawful business activity and fair competition. If DNB were to be involved in corruption, this would damage our reputation, lead to financial losses and possible criminal liability. Therefore it is important that you are aware of DNB's corruption risk and know what you should do if you suspect corruption.

The financial services industry is dependent on customer and market trust and, as the country's largest financial services group, DNB is expected to set a good example. DNB must signal, also externally, that the Group is fighting all types of corruption. This is about preserving the trust of our customers, stakeholders and the rest of society.

Norwegian and international laws describe what corruption is and is not, but we wish to go even further – we wish to develop a culture where corruption cannot thrive. The recipe is simple: transparency, transparency and transparency! In addition, risk-based anti-corruption preparedness will enable us to handle the challenges we meet on a daily basis. DNB is dependent on the involvement and loyalty of each employee to have effective defences against corruption.

The purpose of this anti-corruption guide is to show what it means to take ethics seriously when we cooperate with others. It contains examples and advice, but no complete overview of situations with a possible corruption risk. Sometimes it is difficult to know which course of action should be chosen. It is in open discussions we together can find guidance and wisdom.

# GLOSSARY

## **CORRUPTION**

Corruption is the misuse of power for one's own/the company's benefit.

## **ACTIVE CORRUPTION**

To offer someone undue benefits.

## **PASSIVE CORRUPTION**

To accept undue benefits.

## **UNDUE BENEFITS**

Something valuable which can be deemed to influence your integrity and independence. The 'payment' for the act of corruption.

## **FACILITATION PAYMENTS**

When you pay for a service you in principle are entitled to.

## **TRADING IN INFLUENCE**

When you accept/give a person undue benefits with the intention to influence a third party's performance of his job. Can also be payment given to family members and other close associates of public decision-makers – often in roles as 'advisers' or 'facilitators'.

## **SERVICES FOR THE PURPOSE OF ACHIEVING UNDUE INFLUENCE**

Smaller amounts/services given to achieve something, such as a swifter decision on a loan application.

## **KICK-BACKS**

Unlawful additional payment/reward for influencing decisions.

## **NEPOTISM/CAMARADERIE/ FAVOURITISM**

Favouring relatives, a spouse or friends. It may include letting the fact that you know someone influence your choice of supplier, appointments/ selections, contractual cooperation etc.

# ZERO TOLERANCE FOR CORRUPTION

In DNB, we have zero tolerance for corruption. It is therefore important that everyone who works in and for DNB knows what is permitted with respect to, for example, gifts and entertainment, and how we should react in our meetings with customers, suppliers and business associates.

Corruption is not just about 'other places' and 'everyone else', it is also about our own society, our own business sector and the people who work in DNB. Our business decisions must always be made based on an independent evaluation and never be influenced by self-interest or personal gain.

## YOUR RESPONSIBILITY

All employees in DNB constitute the bank's first line of defence against corruption. Use this guide to ensure that you know what zero tolerance entails.

- Know DNB's anti-corruption framework
- Participate in all available training organised by DNB related to ethics and anti-corruption. This training is mandatory
- Speak with your colleagues and manager about corruption to ensure that we have a common understanding of where the limits are
- Communicate clearly with your partners (suppliers, customers, business associates etc.) about DNB's zero tolerance for corruption

If you have suspicions of corruption, involving DNB or customers/other business partners, it is important that you summarise your observations and seek advice from your

manager. You can also contact DNB's Head of Ethics or the person responsible for anti-corruption in Group Compliance or local Compliance officer for advice.

If this is not sufficient, a legitimate internal notification report (whistleblowing) to DNB's Chief Audit Executive will receive both confidential treatment, to the greatest extent possible, and retaliation protection.

## MANAGERS' RESPONSIBILITY

DNB managers are in addition responsible for ensuring that their employees are aware of what it means to develop an anti-corruption culture. This means that managers must:

- Set a good example
- Have knowledge of the anti-corruption framework (policy and guidelines)
- Identify the department's/team's corruption risk
- Facilitate training and competence building
- Praise employees who show moral courage and raise issues of concern

# YOUR RESPONSIBILITY

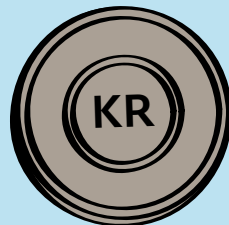
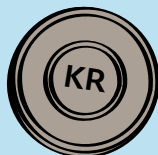
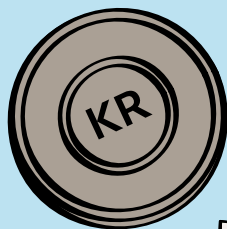
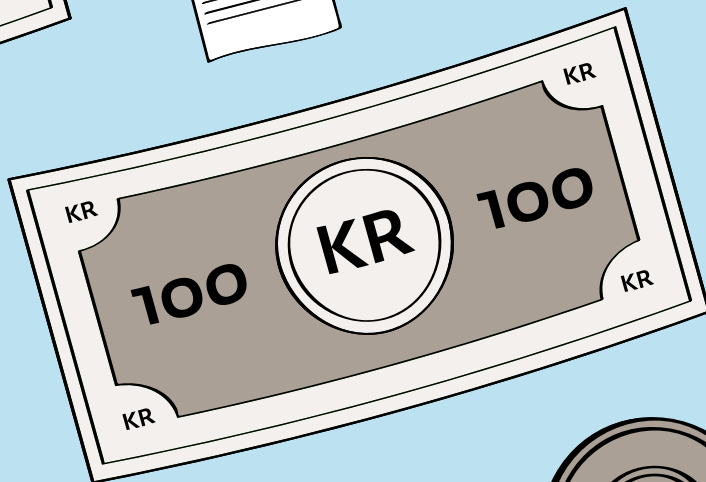
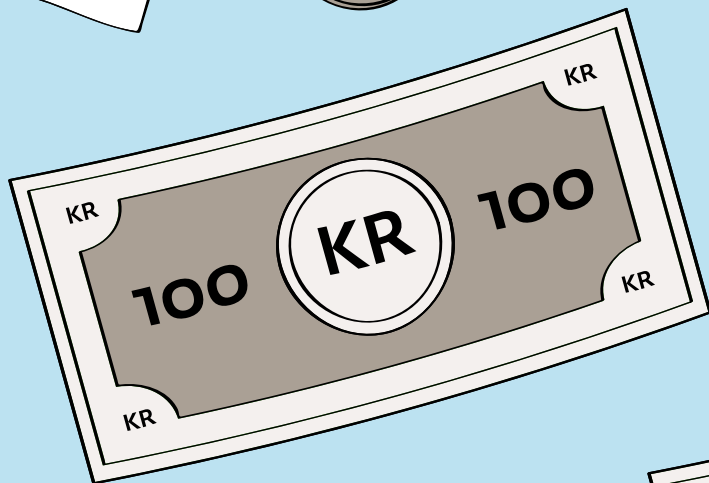
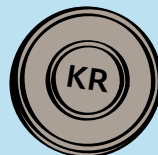
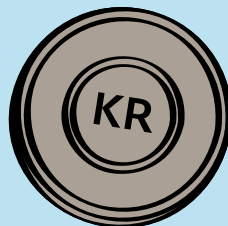
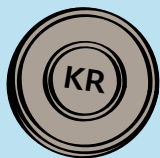
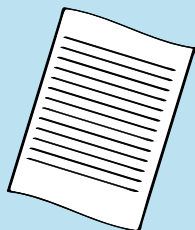
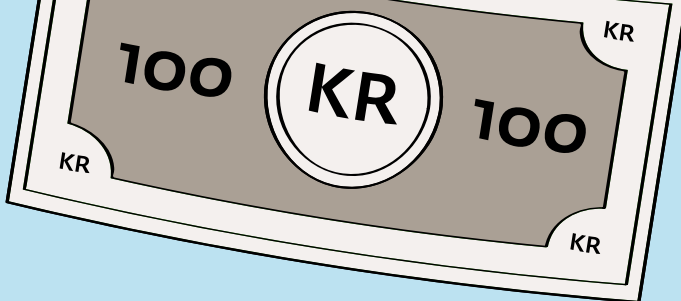
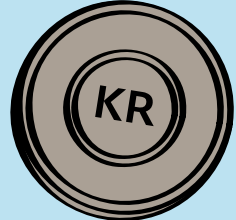


Report to Chief Audit Executive

Summarize your observations

Discuss with your manager

Know DNB's anti-corruption framework



# CORRUPTION RISK

DNB is in daily contact with businesses and private individuals who want something from us, such as loans, agreements or monetary support. DNB is also seeking to gain the best customers and the most profitable agreements and to build up good relations. Therefore, you may personally arrive in a situation where you can be offered bribes or experience corruption-related incidents, or you may be tempted to engage in such actions yourself. This applies, for example, to all employees who have:

- The authority to choose (suppliers, business partners, new employees etc.)
- The authority to decide (credit, deferment of payment, loan terms, customers' compensation, licences and concessions etc.)
- The need for a public service or who cooperate with a government employee (planning permission, customs clearance etc.)
- Access to information (relating to celebrities, family members/friends, colleagues, customers, supplier agreements, acquisition processes etc.)
- The authority to grant money/support (customer charities, business partners' family members etc.)

Increasing the employees' awareness and training in relevant risk zones will reduce the risk of corruption in the Group. Just as important are thorough background checks of new employees to ensure that we employ people we can trust (in accordance with local law).

Corruption risk in DNB varies. From thorough corruption risk analyses, we see that all business areas /support units are faced with situations where they can be exposed to or expose others to undue influence.

# VARIOUS FORMS OF CORRUPTION

The word corruption comes from the latin corrumpere which means to destroy, pervert, spoil. We use the term to describe departures from acceptable forms of business arrangements. A corrupt person is someone who lacks moral integrity and abuses their position and power to gain an unfair advantage. Corruption is unlawful for both the provider and the recipient.

Anything that can be considered to be in one's interest or to one's benefit can be regarded as an advantage and does not necessarily need to carry monetary value. The benefit is undue if it can be deemed to influence your integrity or independence. To decide whether a benefit is undue, the following criteria must be evaluated:

- The value of the benefit or gain
- The purpose of the benefit provided
- Whether there is openness about the benefit or gain
- The relationship between the parties
- The situation in question (e.g., negotiations).

An undue benefit can therefore be many things:

- Gifts (including money)
- Services
- Business entertainment
- Access to confidential information
- A promise about differential treatment
- Offer of jobs/assignments
- Payment of expenses which are not part of the agreement entered into
- Kickbacks for influence

- Nepotism/favouritism

A thorough analysis of the situation and possible consequences of giving or accepting a benefit or gain must therefore be made to decide whether something is an act of corruption.

## GIFTS

### What is a gift?

Gifts can be nice to give and receive, but is something we should often refrain from. Nevertheless, it is permitted to give and to accept a gift if it is of moderate value and if it is reasonable and customary for the occasion being marked. This is a question of gifts of symbolic value – such as flowers or promotional products to speakers, anniversary gifts and gifts to mark occasions such as birthdays, weddings, funerals, births and festive seasons. Gifts must always be approved by your immediate superior, be modest in nature, suit the situation and be given openly.

Direct monetary gifts to/from individuals are never permitted. It is of course acceptable to support non-profit/volunteer organisations, sporting and cultural events in line with the Group's strategy.

### What does this mean for you?

A gift does not always come wrapped up. Sometimes a gift can be in the form of a valuable prize in a competition, an offer of an inexpensive holiday, or maybe an offer of a product at a discount? Some gifts can seem innocent at first, but if gifts are given often and over time, this can nevertheless mean that you may be influenced and therefore you should refrain from



accepting such gifts. These examples are not exhaustive and in some cases gifts can easily go from 'innocent' to 'troubling', depending on the situation.

### **Monetary limit on gifts**

DNB has set no group-wide monetary limit on gifts. It is not necessarily the gift's monetary value that determines whether a gift can corrupt, but rather a total evaluation of the occasion and the relationship.

Certain business areas in DNB have nevertheless chosen to set a monetary limit on gifts. You must always observe the local rules when they are stricter than our group guidelines for combating corruption.

### **Registration of gifts**

All units in DNB must register the gifts they accept and provide.

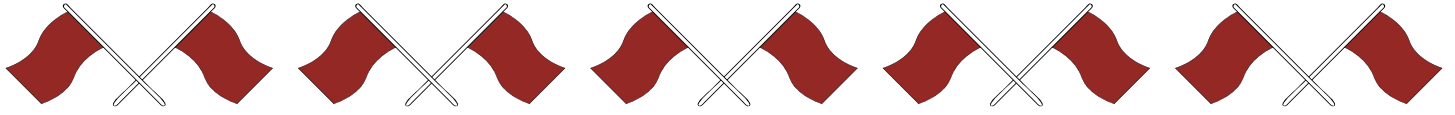
Your compliance officer will provide a link to this registry.

Registration increases awareness with respect to gifts and gives access to information related to whom, what and how often we accept/give gifts. Token gifts with a value less than NOK 500 do not need to be registered; nevertheless, it must always be considered whether the gift can influence the recipient. Internal gifts within DNB do not need to be registered.

### **Return of gifts**

Unacceptable gifts must be returned to the provider. Gifts which, due to special circumstances that cannot be returned, must be handed over to the recipient's immediate superior and the provider must be informed that it is not necessary to give gifts in the future. Example letters is found on the intranet. These gifts can be exhibited in common areas, or they can be sold or raffled and the profits given to charity.





## **BUSINESS ENTERTAINMENT**

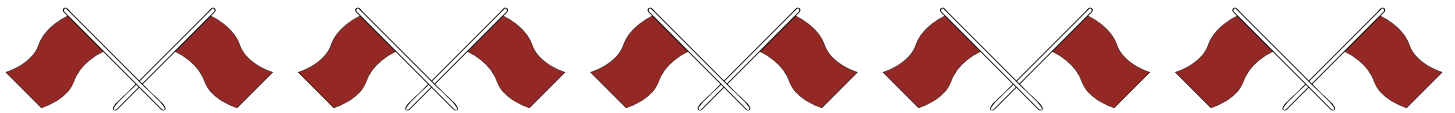
### **What is business entertainment?**

There are many different forms of business entertainment comprising, for example, social events, meals and entertainment. It is important to create good meeting places for customers and business partners. In addition, suppliers and providers of products and services often wish to meet us. Business entertainment must always be modest and business-related, and participants must evaluate the business application of the programme and ensure that its content is kept at a modest level. If an employee in DNB accepts an invitation, travel and accommodation expenses related to the event must always be covered by DNB, and DNB should not offer to cover such expenses when DNB organises the event. Any exceptions must be approved by a manager on level 3, at the lowest. Employees who are unsure about the monetary limits with respect to business entertainment should seek advice/permission from the chief compliance officer (CCO).

### **What does this mean for you?**

It is said that "there is no such thing as a free lunch", implying that invitations often have an underlying motive. Do you put yourself and the bank in a difficult situation if you accept a dinner invitation from a supplier at one of your town's best restaurants and you can take a guest with you? What if you were invited to a private event (birthday, wedding, etc.) by a customer? Tickets to a sporting event can sometimes be acceptable, whereas on other occasions, the total offer related to the event far exceeds the limits we deem acceptable. Providing and receiving Sexual services are always unacceptable, not just for us, but are also something we never offer our customers).

It is all about thinking through the situation and making an overall evaluation. We recommend that you use the corruption test. The more 'red flags', the greater the probability that you should refrain/decline.





## **FACILITATION PAYMENTS**

### **What does this mean?**

If you put some dollars in your passport to get through a customs check, you have made so-called facilitation payments. This is money you pay for a government employee to perform a service which you in principle are entitled to. This is more common in countries with a high risk of corruption and particularly where the salaries of government employees are low. To have in place good defences against corruption, it is important that we understand how bribes take place in those places where we are engaged in business.

### **What does this mean for you?**

Employees must always refrain from making facilitation payments to get something done that they in principle is entitled to without extra payment. This can put us in an ethical dilemma, where we have to choose between following the law and DNB's guidelines or thinking of ourselves or money lost for DNB. Only in an emergency, if life or health are at risk, should payment be made and must always be reported to your manager afterwards. DNB may also have a duty to inform the authorities.

# DILEMMA AND ADVICE

## DILEMMA

*You know that you should use the bank's procurement routines to buy the new seating pads you will use as customer giveaways. However, you are tempted to make use of an offer you have received from a local supplier that does not have an agreement with us. This is also one of the bank's own 'start-up customers' which we are 'cheering on'.*

*What should you do here?*

## ADVICE

*The Group's procurement routines can prevent corruption and should be followed. At the same time, you can see to it that the 'start-up customer' is also involved in the tendering round. We must be able to openly defend the outcome if the bank's customer wins the tendering process. Agreements secretly entered into could give an impression of too close ties and a possible risk of corruption.*

## DILEMMA

*One of the bank's largest customers and the customer with whom you have worked the longest, invites you to celebrate his mother's 80th birthday. Is it acceptable to accept the invitation?*

## ADVICE

*You should discuss this with your immediate superior, as it appears that your relationship with your customer may have become too close. Perhaps this is a case when the client relationship/responsibility should be transferred to a colleague?*  
*Ask your manager for advice.*

## DILEMMA

*DNB have supported the Red Cross over many years, but how can we ensure that our money is put to best possible use?*

## ADVICE

*The risk of corruption should be emphasised in the agreement with the Red Cross and it should be regularly checked whether our money is used appropriately.*

### **DILEMMA**

*It is popular to facilitate meeting places with an exciting content for customers, and you are considering whether to invite a few important customers to go helicopter skiing. Your manager supports the idea, but suggests that all participants pay their own way. Is such an event then acceptable?*

### **ADVICE**

*We must always ensure that such meeting places have a serious professional content, a reasonable level of entertainment and food and drink and that the total event can stand on its own under scrutiny. The personal contribution paid can protect us from being accused of corruption, but if the event is too exotic and lacks a good professional content, it can nevertheless represent a reputational risk for DNB. It is probably wise to further evaluate whether this event should be held.*

### **DILEMMA**

*Your supplier over the last three years wishes to mark the good cooperation with DNB and gives you an expensive ceramic dish. You are not in negotiations with the company right now. Can you accept this gift?*

### **ADVICE**

*It is nice to be appreciated, but here there are several issues which must be considered: the gift is a bit too expensive and even though you are not in negotiations with the company, it is probable that you will renegotiate the agreement at a later date. The best response here could be to return the gift and inform the giver in a polite way that it is not necessary to give gifts.*

# CORRUPTION IS A CRIMINAL ACT WORLDWIDE

## INTERNATIONAL LEGISLATION

DNB is an international financial services group with operations in many countries. DNB is therefore also subject to other countries' legislation such as the US Foreign Corrupt Practices Act (FCPA) and the UK Bribery Act.

### US Foreign Corrupt Practices Act 1977 (FCPA)

The US Foreign Corrupt Practices Act (FCPA) is intended to halt corrupt practices, create a level playing field for honest business and restore public confidence in the integrity of the marketplace. The Act prohibits bribes of government employees and enforces the ban against bribes worldwide.

### UK Bribery Act 2010

The UK Bribery Act (UKBA) also applies worldwide and prohibits all forms of bribery in both the public and private sector. Companies which cannot refer to relevant procedures to combat corruption, can be accused of, investigated for and found guilty of (fines) corruption committed by employees.

An increasing number of countries are imposing stricter regulations against corruption, for example, as a result of the UN convention against corruption, the European Council's Criminal Law Convention on Corruption and the OECD's Anti-Bribery Convention. This means that the world is moving towards a global standard for anti-corruption.

## THE NORWEGIAN PENAL CODE

According to the Norwegian Penal Code, all forms of corruption are prohibited. The prohibition also applies to Norwegian citizens and persons domiciled in Norway. The Norwegian Penal

Code and the UK Bribery Act are stricter than US legislation and prohibit any form of bribery, including facilitation payments. If DNB is indicted and found guilty of corruption, a fine can be imposed on the Group and DNB's employees can be fined and/or sentenced to imprisonment. When assessing the sentence to be imposed, "special consideration must be paid to... whether the business enterprise through guidelines, instructions, training, control or other measures could have prevented the offence".

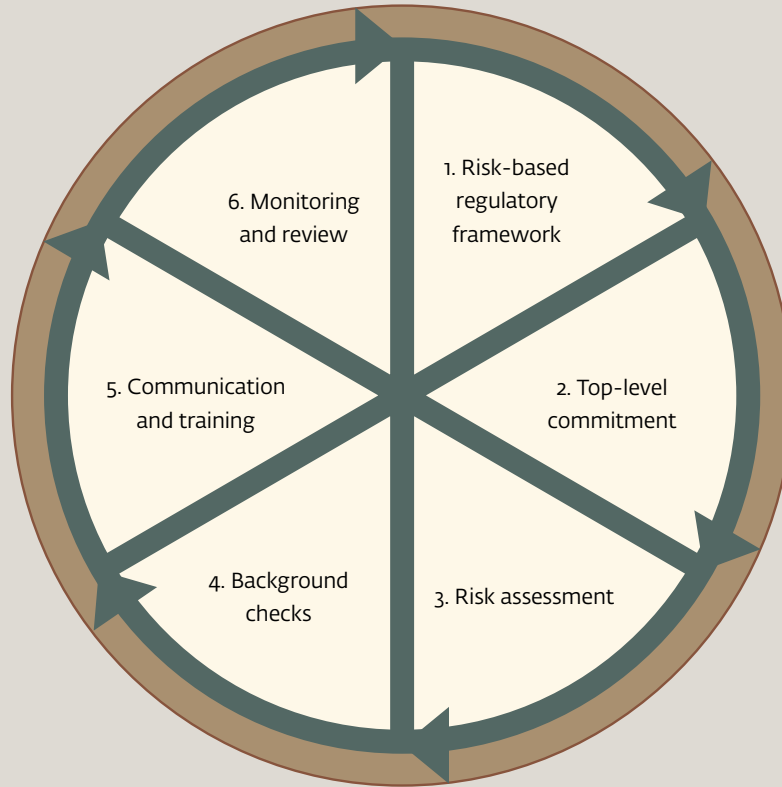
## DNB'S REGULATORY FRAMEWORK

In addition to Norwegian and international legislation, DNB has its own framework to clarify what it means to have zero tolerance for corruption.

- DNB's Code of Ethics clearly describes the prudent and responsible conduct required by each individual DNB employee in both professional and private matters to maintain a high ethical standard (Code of Ethics no. 3 and 4: We neither give nor accept undue benefits/ We prevent, identify and deal with conflicts of interest).
- To further illustrate what these rules mean for us, DNB's Board of Directors has approved group guidelines for combating corruption.
- In DNB's Corporate Social Responsibility Policy, we emphasise that DNB should be characterised by high ethical standards and sound corporate governance and that we must not contribute to corruption or other acts which can be perceived to be unethical.



# DNB'S ANTI-CORRUPTION PROGRAMME



Our vision – Creating value through the art of serving the customer – governs our choices and indicates that when all is said and done, we must be loyal to our customers when we are facing a conflict of interest. To ensure compliance and the development of an anti-corruption culture in the Group, DNB has established an anti-corruption programme based on the six principles from the UK Bribery Act:

The professional responsibility for both the group guidelines and the programme lies with Group Compliance. Our Code of Ethics and our group guidelines for combating corruption are formulated to be in accordance with the Norwegian Penal Code, the US FCPA and the UK Bribery Act.



# DNB'S CORRUPTION CHECK LIST

Below you will find some questions you can use to test how you would react when faced with a dilemma. Some of the questions are more significant than others and not all of the questions may be relevant to your dilemma. The main thing is that you do not take the test alone, so involve a colleague, your manager or perhaps the Head of Ethics to have a good discussion.

WHEN YOU ARE THE RECIPIENT	YES	NO	WHEN YOU ARE THE PROVIDER
Is this an offer that is clearly related to DNB's operations?			Is this an offer that is clearly related to DNB's operations?
Is the timing problematic (negotiations, purchasing processes, etc.)?			Are you in negotiations or are you trying to achieve something (customer establishment, credit process etc.)?
Is there a serious professional programme?			Is there a serious professional programme?
Do you often receive offers from the same host?			Do we often give such offers to the same recipient?
Is this a modest event?			Is this a modest event?
Are you invited together with a guest?			Are you invited together with a guest?
Will the travel expenses and/or accommodation be covered by DNB?			Will the participants themselves pay for the accommodation/travel expenses?
Could this damage DNB's reputation?			Could this damage DNB's reputation?
Have you discussed this with your manager?			Have you discussed this with your manager?

At times it can be challenging to know what is right. It is often wise to evaluate the 'red flags' that might be visible. If there are signs that something does not feel right, act conservatively and take a worse-case scenario approach. Take your time, let the decision mature and discuss the matter with your manager. The best indicator of what is acceptable with respect to gifts and business entertainment is our own common sense and our wish to protect DNB's corporate reputation.

